

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

E

W-03948A

Empirita Water Company, L.L.C
2090 N. Kolb Rd., Ste. 120
Tucson, AZ 85715

RECEIVED

MAY 06 2008

WATER COMMISSION
Director Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2007
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FOR COMMISSION USE

ANN 04	07
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PROCESSED BY:

5-7-08

SCANNED

COMPANY INFORMATION

Company Name (Business Name) EMPIRITA WATER COMPANY, LLC

Mailing Address 2090 N. KOLB RD., STE. 120
(Street)

TUCSON,

AZ

85715

(City)

(State)

(Zip)

1-520-885-1666

Telephone No. (Include Area Code)

1-520-885-5010

Fax No. (Include Area Code)

1-520-490-1218

Cell No. (Include Area Code)

Email Address _____

Local Office Mailing Address **Same** _____

(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact:

JIM VERMILYEA

(Name)

MEMBER

(Title)

SAME AS ABOVE

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address _____

On Site Manager:

DMD WATER SERVICES

(Name)

14092 E. PLACITA MOCHUELO

(Street)

VAIL

(City)

AZ

(State)

85641

(Zip)

520-647-7205

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address DMDWATERSERVICES@GAINBROADBAND.COM

x Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: SAME AS ABOVE

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Attorney: LAWRENCE ROBERTSON, JR.

(Name)

333 N. WILMOT, SUITE 300

TUCSON

AZ

85715

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address

x Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☒ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☒ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	15,000	2,500	12,500
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs	29,244	2,341	26,903
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	198,933	13,041	185,892
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations	11,498	821	10,677
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment	2,000	300	1,700
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment	1,413	67	1,346
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	258,088	19,070	239,018

This amount goes on the Balance Sheet Acct. No. 108



CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	15,000	6.67	1,000
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs	29,244	3.95	1,156
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	198,933	3.09	6,147
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations	11,498	7.14	821
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment	2,000	15	300
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment	1,413	4.74	67
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	258,088		9,491

This amount goes on the Comparative Statement of Income and Expense _____
 Acct. No. 403.

BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$1,186	\$675
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	486	538
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$1,672	\$1,213
	FIXED ASSETS		
101	Utility Plant in Service	\$183,226	\$258,088
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	9,579	19,070
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$173,647	\$239,018
	TOTAL ASSETS	\$175,319	\$240,231

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$	\$736
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies	32,406	139,179
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	560	116
	TOTAL CURRENT LIABILITIES	\$32,966	\$140,031
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	8,200	9,881
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$8,200	\$9,881
	TOTAL LIABILITIES	\$41,166	\$149,912
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)	134,153	90,319
	TOTAL CAPITAL	\$134,153	\$90,319
	TOTAL LIABILITIES AND CAPITAL	\$175,319	\$240,231

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$8,919	\$13,031
460	Unmetered Water Revenue		127
474	Other Water Revenues	672	745
	TOTAL REVENUES	\$9,591	\$13,903
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	2,116	2,599
618	Chemicals		
620	Repairs and Maintenance	2,109	3,606
621	Office Supplies and Expense	48	16
630	Outside Services	32,265	33,564
635	Water Testing		
641	Rents		
650	Transportation Expenses		320
657	Insurance – General Liability	2,145	2,065
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	412	5,225
403	Depreciation Expense	7,692	9,491
408	Taxes Other Than Income		
408.11	Property Taxes	490	700
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$47,277	\$57,586
	OPERATING INCOME/(LOSS)	\$(37,686)	\$(43,683)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		(119)
427	Interest Expense		(32)
	TOTAL OTHER INCOME/(EXPENSE)	\$	\$(151)
	NET INCOME/(LOSS)	\$(37,686)	\$(43,834)

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$9,881

Meter Deposits Refunded During the Test Year \$

COMPANY NAME EMPIRITA WATER COMPANY, LLC

Name of System:

ADEQ Public Water System Number:

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME EMPIRITA WATER COMPANY, LLC

Name of System:

ADEQ Public Water System Number:

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6		
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

STRUCTURES:

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: EMPIRITA WATER COMPANY, LLC

Name of System:

ADEQ Public Water System Number:

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2007

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY				
FEBRUARY				
MARCH				
APRIL				
MAY				
JUNE				
JULY				
AUGUST				
SEPTEMBER				
OCTOBER				
NOVEMBER				
DECEMBER				
TOTALS →				

What is the level of arsenic for each well on your system? _____ mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? _____ GPM for _____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
() Yes () No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
() Yes () No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
() Yes () No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2007 was: **\$ 700**

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

RECEIVED

MAY 06 2008

CORP COMM
Director Utilities

VERIFICATION

STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)
COSHISE
NAME (OWNER OR OFFICIAL) TITLE
JAMES VERMILYEA, MEMBER
COMPANY NAME
EMPIITA WATER COMPANY, LLC

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

James Vermilyea

SIGNATURE OF OWNER OR OFFICIAL

520 885 1666

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

5th

DAY OF

COUNTY NAME

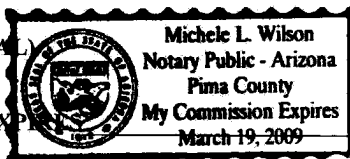
Pima

MONTH

May

.2008

(SEAL)



MY COMMISSION EXPIRES

Michele L. Wilson

SIGNATURE OF NOTARY PUBLIC

COMPANY NAME EMPIRITA WATER COMPANY, LLC YEAR ENDING 12/31/2007

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	N/A (LLC)
Estimated or Actual Federal Tax Liability	N/A (LLC)

State Taxable Income Reported	N/A (LLC)
Estimated or Actual State Tax Liability	N/A(LLC)

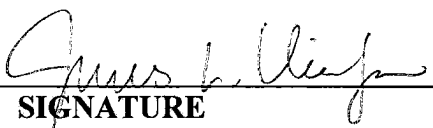
Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	_____
Amount of Gross-Up Tax Collected	_____
Total Grossed-Up Contributions/Advances	_____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

 SIGNATURE	<u>5/5/09</u> DATE
<u>JAMES L. VERMILYEA</u> PRINTED NAME	<u>PRES.</u> TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED
MAY 8 2008
CORP COMM
Director Utilities

**VERIFICATION
STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE**

COUNTY OF (COUNTY NAME) COCHISE
NAME (OWNER OR OFFICIAL) TITLE JAMES VERMILYEA, MEMBER
COMPANY NAME EMPIRITA WATER COMPANY, LLC

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT


IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2007 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$14,876

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$973
IN SALES TAXES BILLED, OR COLLECTED)**

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**



SIGNATURE OF OWNER OR OFFICIAL
520 885 1666

TELEPHONE NUMBER

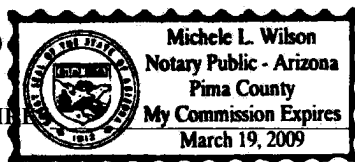
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 5th **DAY OF**

COUNTY NAME <u>Pima</u>	
MONTH <u>May</u>	20 <u>08</u>

(SEAL)





SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

RECEIVED

MAY 06 2008

ARIZONA CORPORATION
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) COCHISE	
NAME (OWNER OR OFFICIAL) JAMES VERMILYEA, MEMBER	
COMPANY NAME EMPIRITA WATER COMPANY, LLC	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

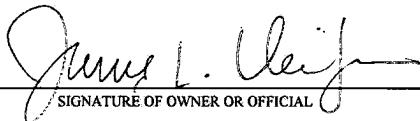
IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2007 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$14,876

**THE AMOUNT IN BOX AT LEFT
INCLUDES \$973
IN SALES TAXES BILLED, OR COLLECTED)**

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**


SIGNATURE OF OWNER OR OFFICIAL
520 885 1666
TELEPHONE NUMBER

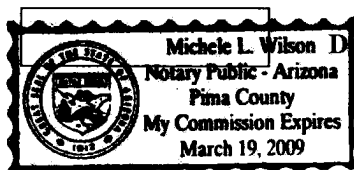
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS


(SEAL)

MY COMMISSION EXPIRES



3-19-09

NOTARY PUBLIC NAME Michele L. Wilson	
COUNTY NAME Pima	
MONTH May 5	2008

X 
SIGNATURE OF NOTARY PUBLIC